

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

CASE: 11089 (Reopened)

**APPLICATION OF BURLINGTON RESOURCES
OIL & GAS COMPANY TO REOPEN CASE 11089
AND TO AMEND ORDER R-46-A TO CONFORM TO
BLM ORDER NO. UMU-1,
SAN JUAN COUNTY, NEW MEXICO**

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by BURLINGTON RESOURCES OIL & GAS COMPANY as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Burlington Resources Oil & Gas Company
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ATTORNEY

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STATEMENT OF CASE

APPLICANT

(1) The Barker Creek-Paradox Gas Pool ("Pool") was established by Order R-13 issued March 15, 1950 and extended by Order R-6421 dated August 1, 1980.

(2) By Order R-46-A issued in Case 11089 on February 13, 1995, the NMOCD contracted the Barker Creek-Paradox (Pennsylvanian) Gas Pool, redesignated it the Barker Dome-Paradox Pool and concomitantly created three new gas pools:

- (a) the Barker Dome-Ismay Pool
- (b) the Barker Dome-Akah/Upper Barker Creek Pool
- (c) the Barker Dome-Desert Creek Pool

(3) Division Order R-46-A established the same pool boundaries for these four pools all within the Ute Mountain Ute Reservation.

(4) On June 9, 1995, the Bureau of Land Management ("BLM") issued BLM Order No. UMU-1, effective March 20, 1995, declaring that the BLM has jurisdiction to set well spacing on lands which are held in trust by the United States for Tribes or individual members of a Tribe notwithstanding decisions and order of the State of New Mexico.

(5) The BLM also relied upon the Oil Conservation Division of New Mexico's hearing process and relied upon and ultimately adopted a substantial portion of the recommendations of the NMOCD as set forth in Order R-46-A.

(6) While the BLM order adopted the NMOCD's recommendation for well spacing, the BLM order also:

(a) **nomenclature:** approved four separate producing intervals ("pools") **but** utilized nomenclature which is different from that of the NMOCD:

OCD NAME	BLM NAME	OCD INTERVAL	BLM INTERVAL
Barker Dome-Ismay Pool (160-acre spacing)	Ismay Formation	8502'-8693'	same
Barker Dome-Desert Creek (320-acre spacing)	Desert Creek Formation	8693'-8809	same
Barker Dome-Akah/ Upper Barker Creek Pool (320-acre spacing)	Akah/Upper Barker Creek Formation	8809'-9134'	same
Barker Dome-Paradox Pool (640-acre spacing)	Lower Barker Creek/ Alkali Gulch Formation	9134'-9430'	9134'-9444'

(b) **vertical limits:** utilized the NMOCD vertical limits **except** for the Barker Dome-Paradox Pool for which the BLM used 9134'-9444'

(c) **stratigraphic equivalent:** identifies the vertical limits for these pools as the stratigraphic equivalent interval as found at these depths on the appropriate type log for these pools.

(d) **horizontal limits:** utilized a larger area for the pool limits than that approved by the NMOCD consisting of the following acreage:

TOWNSHIP 32 NORTH, RANGE 14 WEST, NMPM

Sections 7-11: All
Sections 14-22: All
Section 23: NW/4
Section 27: NW/4
Sections 28-32: All

TOWNSHIP 32 NORTH, RANGE 15 WEST, NMPM

Section 12: All
Section 13: All
Section 25: All
Section 36: All

(e) **non-standard gas proration and spacing units ("NSPs")**: approved certain NSPs both larger and smaller in size than the standard sized spacing and proration units authorized by the NMOCD;

(f) **infill wells**: adopted administrative provisions for an additional well ("infill well") on these NSPs at locations yet to be determined so that the well density is equivalent to that authorized by the NMOCD.

(g) **well locations**: adopted administrative provisions for "unorthodox" well locations for these non-standard gas proration and spacing units ("NSPs") at locations potentially closer to the boundaries of those units than authorized by the NMOCD;

(7) The BLM's decision on these issues was reached in order to avoid topographical, archeological, surface hazards and other factors.

(8) Burlington controls 100 % of the gas operating rights in the Pool with 100 % of the royalty being owned by the Ute Mountain Ute Tribe.

(9) In order to provide a common means for the orderly development of all four gas pools which is consistent with the BLM order, Burlington requests the Division:

(a) **nomenclature**: amend the NMOCD pool names to be consistent with those adopted by the BLM

(b) **vertical limits**: utilize the BLM vertical limits for the Barker Dome-Paradox Pool of 9134'-9444'

(c) **horizontal limits**: utilize the same pool limits for the pools as adopted by the BLM.

(d) **stratigraphic equivalent**: identify the vertical limits for these pools as the stratigraphic equivalent interval as found at these depths on the appropriate type log for these pools.

(e) **non-standard gas proration and spacing units ("NSPs")**: approve the same NSPs for these pools as approved by the BLM which are identified on the plats attached hereto as Exhibits B, C, D and E.

(f) **well locations:** adopted administrative provisions for "unorthodox" well locations for these non-standard gas proration and spacing units ("NSPs") at locations potentially closer to the boundaries of those units than currently authorized by the NMOCD;

(g) **infill wells:** adopted administrative provisions for an additional well ("infill well") on these NSPs at locations yet to be determined so that the well density is equivalent to that authorized by the NMOCD.

PROPOSED EVIDENCE


APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Dean Price (landman)	30 Min.	est. 8-10

PROCEDURAL MATTERS

None pending

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